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APPEARANCES:

Panel Lead: ALJ ANDREW KWEE

Panel Members: ALJ SUZANNE BROWN
ALJ SHERIENE RIDENOUR

For the Appellant: J. HA

For the Respondent: STATE OF CALIFORNIA
DEPARTMENT OF TAX AND
FEE ADMINISTRATION

MARI GUZMAN
CHAD BACCHUS
JASON PARKER

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I N D E X

E X H I B I T S

(Appellant's Exhibits 3-11 were received at page 9.)
(Department's Exhibits A-D were received at page 9.)

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California; Wednesday, August 31, 2022

1:00 p.m.

JUDGE KWEE: We are opening the record in the Appeal of Heavenly Couture, Inc. This matter is being held virtually before the Office of Tax Appeals. Our OTA Case Number is 21088424. Today's date is Wednesday August 31st, 2022, and the time is approximately 1:00 p.m.

Today's hearing is being conducted virtually, and it is also being live streamed on our YouTube channel. So today's hearing is being heard by a panel of three Administrative Law Judges. My name is Andrew Kwee, and I will be the lead Administrative Law Judge. Also on this panel is Judge Suzanne Brown and Judge Sheriene Ridenour.

All three judges will meet after the hearing and produce a written decision as equal participants. Although myself, the lead judge, while I'll be conducting the hearing today, any judge on this panel may ask questions or otherwise participate in this appeal to ensure that we have everything that we need to decide the appeal.

Just for the record, would the parties please state their names and who they represent, starting with the representatives for the tax agency.

MR. BACCHUS: Chad Bacchus for the Legal Division

1 for the Department.

2 MS. GUZMAN: Mari Guzman for the Legal Division
3 on behalf of California Department of Tax and Fee
4 Administration.

5 MR. PARKER: Jason Parker, Chief of headquarters
6 Operations Bureau with the Department.

7 JUDGE KWEE: Okay. Thank you.

8 Go ahead for the representative.

9 MR. HAN: Yeah. My name is James Han. I'm a CPA
10 representing Mr. Justin Ha.

11 JUDGE KWEE: Okay.

12 Mr. Han, just to confirm that we will not be
13 having Justin Ha testify as a witness today. It will just
14 be your arguments --

15 MR. HAN: Correct.

16 JUDGE KWEE: Okay -- and presentation. Thank
17 you.

18 So just to go over the exhibits in this appeal,
19 for CDTFA I have Exhibits A through D, which is a decision
20 and copy of payment records maintained by CDTFA.

21 These exhibits were discussed at the prehearing
22 conference, and I understand, Mr. Han, that you didn't
23 have it available at that time. So I believe a copy was
24 provided to you after the prehearing conference. I just
25 want to make sure that you did receive a copy of CDTFA's

1 Exhibits A through D?

2 MR. HAN: I -- I don't. Who sent it?

3 JUDGE KWEE: I believe that was distributed by
4 the Office of Tax Appeals, and there should have been
5 either an attachment or a SharePoint link containing the
6 exhibits for this appeal.

7 MR. HAN: I'm okay. The payment -- there's no --
8 I stipulate to the payments made and all the documents
9 they have -- the Department have. I don't even -- this is
10 the Webex. I only have the Webex link. I don't have the
11 documents, but I'm fine. I'm fine.

12 JUDGE KWEE: Okay. And since you don't have
13 them, I can have them distributed again to you after the
14 hearing just so you have a copy for your records.

15 MR. HAN: Sure.

16 JUDGE KWEE: And then the documents that I do
17 have listed for CDTFA, the first document, was a copy of
18 their decision, which you're appealing. So I assume that
19 you would have that document. The three documents --

20 MR. HAN: Correct.

21 JUDGE KWEE: -- after that, were just copies of
22 screen shots of CDTFA's payment history. So, yeah. But
23 since the parties have that information, I think -- okay.
24 So there's no objections to CDTFA's documentation.

25 CDTFA, do you have any additional exhibits to

1 submit?

2 MS. GUZMAN: No additional exhibits. Thank you.

3 JUDGE KWEE: Okay.

4 So for Appellant's documents -- I'm sorry. For
5 Appellant's exhibits we have documents labeled 3
6 through 11. The first two exhibits were not admitted
7 because they were just briefing. The remaining three
8 exhibits were admitted. CDTFA -- or I guess first I'll
9 turn to the taxpayer.

10 Do you, Mr. Han, do you have any additional
11 documents to submit which were not previously discussed at
12 the prehearing conference?

13 MR. HAN: No. At the hearing I just wanted to
14 make sure that we have the notes of the collector, and I
15 believe you confirmed at the hearing that you had them.

16 JUDGE KWEE: Oh, yes. That is correct. That was
17 one of the exhibits that were submitted was the -- I
18 believe they were the ACMS notes for CDTFA, the ACMS
19 system.

20 So with that said, CDTFA, I understand you did
21 not have any objections to Appellant's Exhibits 3
22 through 11; is that correct?

23 MS. GUZMAN: No objections.

24 JUDGE KWEE: Okay. Great.

25 So then I will admit Appellant's Exhibits 3

1 through 11 and CDTFA's Exhibits A through D into the
2 record without objection.

3 (Appellant's Exhibits 3-11 were received
4 in evidence by the Administrative Law Judge.)

5 (Department's Exhibits A-D were received in
6 evidence by the Administrative Law Judge.)

7 With that said, there's no witnesses. So I'll
8 just briefly go over the order of testimony -- the order
9 of the presentations today. And -- oh. And one other
10 thing, the issue to be decided in this appeal. There was
11 only one issue, and that was whether claimant Justin Ha is
12 entitled to a refund for a payment that he made, which was
13 applied to the account of Heavenly Couture, Inc.

14 And in relation to that issue, the parties had
15 agreed during the prehearing conference to certain -- that
16 certain facts were not disputed and were agreed. Those
17 I'll just summarize briefly. We didn't list them in the
18 minutes and orders but just for the record I'll go over
19 what the agreed facts were so that we're on the same page.

20 The first was that Claimant Justin Ha made a
21 payment of \$282,700 -- \$208,000 -- sorry -- \$282,791.23
22 from his checking account with JP Morgan and Chase. The
23 second item was that the payment was applied by CDTFA to
24 the account of Heavenly Couture. Third one was that
25 Heavenly Couture was not the owner of the Chase checking

1 account from which the payment was made. The next one --
2 the fourth one is that the payment was submitted
3 electronically to CDTFA via CDTFA's online payment
4 platform.

5 The fifth one is that the payment was made after
6 issuance of a statement of accounts to Heavenly Couture.
7 And the last one was that Justin Ha was never held
8 personally liable as a responsible person for Heavenly
9 Couture, pursuant to Revenue & Taxation Code Section 6829.
10 Are they the parties -- are there any issues with the
11 facts I just summarized or are the parties still in
12 agreement with those facts?

13 MR. HAN: I'm in agreement.

14 MS. GUZMAN: The Department is in agreement as
15 well.

16 JUDGE KWEE: Okay. Great.

17 Then the order of presentation will be as
18 follows: Appellant will have ten minutes for their
19 opening presentation followed by CDTFA who will have
20 15 minutes for their opening presentation. After that,
21 the parties -- and between them, the questions -- the
22 judges may ask questions of the parties between opening
23 presentations. After that, each party will have five
24 minutes on rebuttal for closing remarks.

25 Are there any questions or concerns before I turn

1 it over to Appellant's representative to start off with
2 his opening presentation?

3 MR. HAN: No.

4 JUDGE KWEE: Okay. Thank you then. I will turn
5 it over to you, Mr. Han. You had ten minutes. So you may
6 proceed.

7 MR. HAN: Okay. I don't think it's going to take
8 ten minutes. I'll just try to be brief as possible.

9

10 PRESENTATION

11 MR. HAN: Back in 1991 I started at the Board as
12 a tax rep in the old Hollywood office. I was trained in
13 how to handle 6829 or dual determinations. And later I
14 even trained others in 6829. I was taught to carry out my
15 duties fairly with accountability and integrity. With
16 Mr. Justin Ha, the interaction between the Department and
17 the taxpayer, none of it was carried out fairly or with
18 integrity.

19 The Department misled Mr. Ha, convinced him dual
20 determination was a done deal. It was a conclusion
21 between two based on the collector's own notes. The
22 Department kept correct law information from Mr. Ha. The
23 Department basically lied in my opinion. I don't want to
24 use that word, but they misled and kept information from
25 him. I consider that to be a lie.

1 To verify if there's been any changes with the
2 Department with the reorganization, I looked at the
3 Department's mission state. The mission statement states,
4 "We make life better for Californians by fairly and
5 efficiently collecting the revenue that supports our
6 essential public services. The Department is committed to
7 a philosophy of service and accountability to the public,
8 which interest is best served through administration of
9 tax and fee laws.

10 We believe this can be most effectively
11 accomplished through programs that enable and encourage
12 people to voluntarily comply with the laws. The
13 Department's compliance policy procedures demonstrate the
14 Department's commitment to providing assistance and
15 information to the public. Administering fair and firm
16 enforcement programs ensure taxes and fees recorded and
17 paid properly."

18 There's no part of the mission statement that
19 states that you can mislead a taxpayer. I want to
20 reiterate, the Department's duties and mission is to
21 fairly administrator taxes. And they have accountability
22 to the public to provide assistance and information to the
23 public. And I would assume they meant accurate
24 information.

25 Okay. Let me start with the basics. I think we

1 should recognize that when the Department contacts the
2 taxpayer, whether you're a collector or an auditor,
3 there's a significant power discrepancy between the two.
4 Collectors are entrusted to carry out tax law. He is
5 given powers to administer those laws. This includes the
6 ability to take summary collection action. His words
7 carry weight, and he's required to carry out his duties in
8 a fair manner with integrity and honesty.

9 Based on the actions of this collector or lack of
10 actions from the collector, the collector failed to do any
11 of this with Mr. Ha. He misled and kept information from
12 the taxpayer to make a proper and fair decision. These
13 actions are documented in his own notes. In addition to
14 violating the Department's mission, the collector violated
15 Mr. Ha's taxpayer's bill of rights. I'm going to spare
16 everybody. I'm not going to read the whole bill of
17 rights, but I want to point out three items in the bill of
18 rights.

19 The taxpayer has a right to be treated fairly.
20 The taxpayer has a right to information. And I would
21 assume that's correct and accurate information. He has
22 the right to pay no more than the correct amount he would
23 owe. None of these rights were granted to Mr. Ha in this
24 case. I said it in our petition letter and follow-up
25 letter. The \$282,000 payment was not a voluntary payment.

1 Payment was made under duress from the collector
2 who deliberately misled Mr. Justin Ha. The collector
3 convinced Mr. Ha that he was the responsible party under
4 6829. He was not a responsible party. He misled the
5 taxpayer intentionally, and he kept proper tax information
6 from Mr. Ha. Under the Department's mission and its
7 procedure, it was the collector's duties to explain
8 accurate California law and Department's procedure. The
9 collector failed to do any of these.

10 The collector knowingly misled Mr. Ha. In his
11 own notes dated July 14, 2020, he -- the post-petition
12 liability under a bankruptcy credit committee, he knew
13 that was not doable or subject to 6829. He never
14 mentioned this fact, and he kept that information from the
15 taxpayer. The collector's focus and motives are
16 demonstrated again in his June 15th notes. He wrote,
17 quote, "I advised he apply after billed personally," end
18 quote.

19 They were referring to the offer and comprise
20 program when the taxpayer asked the collector about it.
21 And his answer was, "I advised he apply after billed
22 personally." So this was a foregone conclusion between
23 the two. We don't have a recording of it, of their
24 conversation or details of their conversation, but it is
25 obvious he already convinced the taxpayer 6829 was a

1 conclusion and a done deal.

2 I don't think we can deny his intention to keep
3 the information from the taxpayer. The balance, the
4 entire balance, whether it was legally possible or not,
5 was going to be billed to him eventually, ultimately.

6 We state again, the payment made was not a
7 volunteer payment. The payment made was under duress
8 based on lies and misrepresentation by the Department. We
9 request a full refund of the \$282,791.23 plus any
10 applicable credit interest.

11 Thank you. That's it.

12 JUDGE KWEE: Okay. Thank you.

13 I'll check with the panelist first before moving
14 on to CDTFA for their presentation.

15 Judge Brown, do you have any questions?

16 JUDGE BROWN: I don't have any questions at this
17 time. Thank you.

18 JUDGE KWEE: Okay. Thank you.

19 Judge Ridenour, do you have any questions for the
20 Appellant.

21 JUDGE RIDENOUR: This is Judge Ridenour. No
22 questions at this time. Thank you.

23 JUDGE KWEE: Okay. Thank you.

24 So I am going to turn it over to CDTFA for your
25 opening presentation. You have 15 minutes. You may

1 proceed thank you.

2 MS. GUZMAN: Thank you.

3

4 PRESENTATION

5 MS. GUZMAN: Good afternoon.

6 The issue before the panel today is whether
7 Appellant Justin Ha is entitled to a refund of the payment
8 he made, which was applied to the tax liabilities of
9 Heavenly Couture, Inc. Appellant was the president, CEO,
10 and majority owner of Heavenly Couture, a California
11 corporation that operated several retail clothing stores
12 under a seller's permit from August 1st, 2005, until the
13 date the permit closed on March 13th, 2019.

14 As of the date the permit closed, Heavenly
15 Couture had unpaid tax liabilities for the period
16 October 1st, 2017, through March 31st, 2019, and the
17 amount of approximately \$282,000. Appellant agrees, and
18 it is undisputed, that on August 25th, 2020, he paid
19 Heavenly Couture's unpaid tax liabilities from his
20 personal checking account. As a third party, Appellant
21 did not make the payment for his own liability but,
22 rather, for the unpaid tax liabilities of Heavenly
23 Couture, the taxpayer in this case.

24 Appellant also agrees, and it is also undisputed,
25 that Heavenly Couture was not the owner of the checking

1 account from which the payment at issue was made.
2 Subsequently, Appellant filed a timely claim for refund
3 with the Department arguing that he is entitled to a
4 refund of payment he made for the unpaid tax liabilities
5 for Heavenly Couture because he was coerced into making
6 the payment involuntarily by the Department.

7 The statutory means by which the Department is
8 authorized to refund a payment of sales and use taxes is
9 laid out in Revenue & Taxation Code Section 6901.
10 Pursuant to Section 6901, any amount of tax, any amount of
11 tax penalty, or interest, that has been paid more than
12 once or that has been erroneously or illegally collected
13 by the Department is required to be refunded to the person
14 from whom the amount was collected or by whom it was paid.
15 The Appellant bears the burden of establishing their
16 entitlement to a refund.

17 In order to establish that Appellant Justin Ha is
18 entitled to a refund under Section 6901, he must establish
19 by a preponderance of the evidence that the payment at
20 issue was erroneously or illegally collected by the
21 Department. Appellant argues that the payment at issue
22 was erroneously or illegally collected because the
23 Department coerced him into making the payment
24 involuntarily. As stated in the decision, Exhibit A,
25 Appellant argues that the following facts show that the

1 Department coerced him into making the payment at issue
2 involuntarily.

3 First, upon request by the Department, Appellant
4 completed a responsible person questionnaire dated
5 April 27th, 2020, which could be used as evidence of his
6 personal liability relating to the unpaid liabilities of
7 Heavenly Couture.

8 Second, during a telephone call on
9 June 15th, 2020, the Department allegedly informed
10 Appellant that a determination was going to be issued
11 against him personally for the unpaid liabilities of
12 Heavenly Couture. Appellant did make the payment at issue
13 on August 25th, 2020, a few months after the
14 June 15th, 2020, telephone call took place, indicating
15 that perhaps the Department's actions may have motivated
16 the Appellant to make the payment at issue.

17 However, evidence of this call does not support
18 Appellant's assertion that he was coerced into making the
19 payment involuntarily. Appellant claims that he was
20 informed during that telephone call, that a determination
21 was going to be issued against him personally for the
22 unpaid liabilities of Heavenly Couture. Appellant's
23 Exhibit 4 includes notes from the Department's centralized
24 revenue opportunities system, which describes the details
25 of the June 15th, call.

1 The evidence shows that the Department was
2 attempting to gather information regarding the closure of
3 the business and the persons responsible for sales and use
4 tax compliance and making business decisions. The
5 Department also requested documentation regarding what was
6 discussed during that telephone conversation. And lastly,
7 the Department merely reminded Appellant that some or all
8 of the unpaid liabilities of Heavenly Couture may be
9 billed against him personally.

10 Appellant stated that he understood and went on
11 to ask about the offer and comprise for which he was
12 advised he could apply for after being billed. Further
13 evidence from Appellant's Exhibit 4 shows numerous
14 communications back and forth between the Appellant and
15 the Department, wherein, Appellant provided the Department
16 with requested documents and information necessary to
17 assist the Department in making a determination of whether
18 Appellant could be held personally liable for the unpaid
19 liabilities of Heavenly Couture.

20 This shows that a determination as to personal
21 liability against Appellant was not made as of the
22 June 15th telephone call, and Appellant has not provided
23 any relevant supporting authority as to why the
24 Department's actions on that day or any of the days that
25 followed should be viewed as coercing him into making an

1 involuntary payment. And, therefore, he has not met his
2 burden of establishing entitlement to a refund of the
3 payment at issue under Section 6901.

4 Moreover, the policies and procedures of the
5 Department as specified in Section 764.090 of its
6 Compliance Policy and Procedures Manual requires the
7 Department, once an entity's permit is closed and that has
8 an outstanding liability, to look into whether the
9 outstanding liability of the entity should be imposed
10 personally against his officers and to discuss with the
11 officers the possibility of personal liability being
12 posed -- being imposed against him.

13 In this case, Heavenly Couture's seller's permit
14 closed as of March 13th, 2019. The acts alleged by
15 Appellant to have coerced him into making the payment at
16 issue occurred on April 27th, 2020, the date Appellant
17 completed the responsible person questionnaire, and on
18 June 15th, 2020, the date the Department had a telephone
19 conversation with Appellant regarding the possibility of
20 personal liability being imposed against him as the CEO
21 and majority owner of Heavenly Couture.

22 These acts occurred more than one year after
23 Heavenly Couture's seller's permit closed. As part of the
24 Department's routine practice laid out in its Compliance
25 Policy and Procedural Manual to look into whether the

1 unpaid liabilities of a closed business should be imposed
2 personally against its officers as was the case here.
3 Moreover, Appellant waited almost two months after the
4 June 15th telephone call to actually make the payment at
5 issue, which shows that he was not so coerced into making
6 the payment involuntarily, that he made the payment
7 immediately after the telephone call.

8 Therefore, these facts merely show that the
9 Department was performing routine procedures for which
10 Appellant was cooperating with, and that the Department
11 was not acting in a manner that was out of the ordinary or
12 coerced as alleged by the Appellant. Furthermore,
13 Appellant has not set forth any information or other
14 evidence to the contrary. Based on all the evidence
15 provided, the Appellant Justin Ha has not established
16 entitlement to a refund of the payment he made, which was
17 applied to the unpaid liabilities of Heavenly Couture.
18 Therefore, the appeal should be denied.

19 Thank you.

20 JUDGE KWEE: Hi this is Judge Kwee. I did have
21 one technical question, I guess, for CDTFA. So at the
22 start of the hearing -- actually, it was right before we
23 went on the record. Mr. Han, the Appellant's
24 representative mentioned, you know, clarifying the
25 identity of the Appellant as Justin Ha as opposed to

1 Heavenly Couture. And I was going to follow up on that
2 just because CDTFA's decision list the -- I guess it's
3 under the name of Heavenly Couture, Inc. But then the
4 refund claim, you know, it's listed under the name of
5 Justin Ha. Does the CDTFA agree that the Appellant in
6 this case is the individual Justin Ha as opposed to
7 Heavenly Couture, or is there any dispute about that?

8 MS. GUZMAN: I think the Department does agree
9 that Justin Ha is the Appellant here in this case. He
10 made the payment from his personal checking account, and
11 he was the injured party. However, he did make that
12 payment on behalf -- excuse me -- for the liabilities of
13 Heavenly Couture, which is the taxpayer in this case.

14 JUDGE KWEE: Okay. And then my proposal then
15 would be in the opinion I'll note that both parties agree
16 that Justin Ha is the Appellant. And then add another
17 note that the CDTFA's decision did note Heavenly Couture,
18 Inc., as the taxpayer or petitioner or claimant, just in
19 that first page just so that there's no confusion.

20 MS. GUZMAN: Okay.

21 JUDGE KWEE: Okay.

22 And I think, Mr. Han, you indicate -- I think you
23 raised your hand. Did you have something that you wanted
24 to say or comment about that?

25 MR. HAN: Yeah. I just want to make sure. I

1 think the form is 101, the refund claim 101. It's been a
2 while since I -- 101, I believe. Two forms were prepared
3 for -- one for Mr. Justin Ha and one for Heavenly Couture.
4 Because I initially submitted a refund claim without an
5 account number for Mr. Justin Ha because he never had a
6 seller's permit. And I got a notice from -- I think
7 the -- I don't -- I don't know what Department handles the
8 refund, but they sent me an email saying I need one for
9 the taxpayer on record, Heavenly Couture. And then I
10 subsequently submitted a second one for Heavenly Couture
11 just to have, you know, the numbers match, the account
12 numbers.

13 JUDGE KWEE: Oh, okay. So then I guess then
14 CDTFA would have a claim for both parties before us. I
15 mean, I don't think it changes --

16 MR. HAN: I don't think so.

17 JUDGE KWEE: -- the analysis either way, but I
18 think just for procedural purposes I would like to note
19 who the correct taxpayer is before us. So I could list
20 them both if -- CDTFA, if you don't have an objection that
21 saying that we have a refund claim for entities or did --
22 is there a preference from the parties on how we do that?

23 MS. GUZMAN: No objection on behalf of the
24 Department.

25 JUDGE KWEE: Okay. So I'll either --

1 MR. BACCHUS: Actually, Mr. Kwee, if I might just
2 provide some clarification. So because this is rather a
3 unique situation and Heavenly Couture is the taxpayer with
4 the seller's permit and Mr. Ha did not have one, it -- the
5 Department agrees there were two claims filed. The claim
6 filed on behalf of Heavenly Couture was essentially
7 disregard because Heavenly Couture does not have standing
8 to file a claim for refund for a payment that it did not
9 make. So --

10 MR. HAN: I would agree.

11 MS. GUZMAN: Yeah. So the claim for refund for
12 Justin Ha is the one at issue because he made the payment.
13 It just -- it gets confusing with the naming in the
14 decision of Heavenly Couture because Heavenly Couture was
15 the -- it was the taxpayer, whereas, Mr. Ha is the
16 claimant. And so on our end -- on Department's end, we
17 differentiate between the taxpayer and the claimant.
18 Whereas, with the Office of Tax Appeals, all parties are
19 considered Appellants.

20 So -- but the Department does not have any
21 objection with the opinion from the Office of Tax Appeals
22 making note of why there is some type of difference
23 between who the Appellant is for these proceedings and
24 what was included on the decision from the Department.

25 JUDGE KWEE: Okay. Great. Thank you.

1 So I'll note that the Appellant is Justin Ha, but
2 then there was also a claim filed on behalf of Heavenly
3 Couture and list them also as someone that was -- whose
4 claim was either disregarded because the claimant was
5 determined to be Justin Ha. And I'll make a note
6 something to that effect in the opinion just so that it's
7 clear why there's two entities listed, and that there were
8 two claims for refund. Thank you.

9 With that clarified, I will turn to the panel,
10 then.

11 Judge Brown, do you have any questions that you
12 would like to ask of either party?

13 JUDGE BROWN: I do not. Thank you.

14 JUDGE KWEE: Okay.

15 And then I will turn to Judge Ridenour. Do you
16 have any questions for either party?

17 JUDGE RIDENOUR: This is Judge Ridenour. I do
18 not as well. Thank you.

19 JUDGE KWEE: Okay.

20 Then I believe we're ready to go to our closing
21 arguments. So then I'll turn it over to Appellant's
22 representative.

23 Mr. Han, you have five minutes, and you may
24 proceed.

25 ///

1 some lesser amount, and Mr. Ha voluntarily came up and
2 chose the higher amount to pay. I don't think -- that
3 blows my mind. Okay.

4 And let me just say this in closing. I want to
5 ask this question. Did the collector as a representative
6 of the State of California have the power over the
7 taxpayer? He absolutely did. Did he carry out and
8 administer the laws of California accurately and with the
9 policies and procedures of the Department carried out with
10 integrity? Absolutely not. This was a corrupt procedure.
11 He had pow -- okay.

12 Corporation is defined, I believe, as dishonesty
13 or fraudulent conduct by those in power. The collector as
14 a representative the State of California had power over
15 the taxpayer, and he used that power to coerce the guy to
16 make the payment. Who volunteers. \$282,000 in payment?
17 I -- I don't understand. I mean, they -- the Department
18 corruptly influenced the taxpayer Mr. Justin Ha.

19 I want to use the taxpayer correctly, because I
20 don't want to refer to the corporation. That's been gone
21 over a year under bankruptcy. Okay. Payment made was
22 under corrupt influence and he cannot be a -- volunteered
23 payment. Nobody voluntarily gives up \$282,000 to the
24 State of California.

25 That's it.

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JUDGE KWEE: Okay. Thank you.

Then I will turn it over to CDTFA. You have five minutes for your closing arguments. You may proceed.

MS. GUZMAN: Thank you. I'll go ahead and waive my five minutes for the closing. Thank you.

JUDGE KWEE: Okay.

Then I will turn it back to the panel. Would -- Judge Brown, do you have any questions before we conclude today's hearing?

JUDGE BROWN: This is Judge Brown. No, I do not. Thank you.

JUDGE KWEE: Okay. Thank you.

Judge Ridenour, do you have any questions for either party before we conclude today's hearing?

JUDGE RIDENOUR: This is Judge Ridenour. I also do not. Thank you very much.

JUDGE KWEE: Okay. Thank you then.

We're ready to conclude today. This case is submitted on Wednesday, August 31st, 2022, and the record is now closed.

OTA will provide a copy of the exhibits to Appellant's representative following the hearing just to ensure that he does receive and did obtain a copy of the exhibits. And that will be coming up from OTA.

MR. HAN: I'm sorry. I do have the exhibits. It

1 was in a separate email earlier. So I apologize. That's
2 my error. I don't need the exhibits.

3 JUDGE KWEE: Oh, okay. Then I will correct that.
4 The record is closed and OTA will not be providing any
5 additional documentations after the hearing.

6 And thank you everyone for coming in today. And
7 the Judges will meet after today's hearing and discuss
8 this appeal and decision to be coming out within 100 days
9 from today.

10 The hearing in the Appeal of Heavenly Couture is
11 now concluded, and that concludes the hearings scheduled
12 for today before the Office of Tax Appeals. We won't be
13 meeting again until Cerritos on September 13th. So we are
14 done for today, and I'll sign out.

15 Thank you everyone for coming in.

16 (Proceedings adjourned at 1:32 p.m.)

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HEARING REPORTER'S CERTIFICATE

I, Ernalyne M. Alonzo, Hearing Reporter in and for the State of California, do hereby certify:

That the foregoing transcript of proceedings was taken before me at the time and place set forth, that the testimony and proceedings were reported stenographically by me and later transcribed by computer-aided transcription under my direction and supervision, that the foregoing is a true record of the testimony and proceedings taken at that time.

I further certify that I am in no way interested in the outcome of said action.

I have hereunto subscribed my name this 12th day of September, 2022.

ERNALYN M. ALONZO
HEARING REPORTER